

Massachusetts School Building Authority

Timothy P. Cahill
Chairman, State Treasurer

Katherine P. Craven
Executive Director

Dear Treasurer/Collector,

Under the direction of State Treasurer Timothy P. Cahill, Chairman of the Massachusetts School Building Authority (the "Authority"), the Authority is accelerating payments to cities, towns and regional school districts with projects on the Waiting List. For those communities on the Waiting List who were originally scheduled to be paid in FY2007 or FY2008, the Authority may now be able to make a payment in calendar year 2006.

In general, please be aware of the following items as they relate to reimbursements for Waiting List Projects:

- All reimbursements are subject to a final audit conducted by the Authority and reimbursement amounts may be adjusted based on the audit results.
- The Authority will only reimburse for eligible, approved project expenditures.
- The Authority will only reimburse for interest costs that are directly related to eligible, approved project expenditures.
- Do not issue long-term debt for the Authority's share of a Waiting List project.
- Do not issue short-term debt for the Authority's share of a Waiting List project without first conferring with the Authority.

Waiting List Projects that are Complete or very near Completion

If a project is completed or very near completion and has BANs outstanding the project may be eligible for:

- A lump sum reimbursement of 75% of the Authority's estimated share of eligible project and interest costs shortly prior to the BAN roll date. (If the Authority has completed a final audit of the project, the project may be eligible for a 100% reimbursement of the Authority's share of the eligible, approved project costs.)
- The Authority will need:
 1. A completed Form F; and
 2. Project specific BAN schedule including project specific interest.

If the project is completed or very near completion and has Bonds outstanding the project may be eligible:

- To begin a series of annual payments.
- Annual payments may be made near the principal payment dates of the Bonds.
- The Authority will need:
 1. A completed Form F;
 2. Project specific Bond schedule including project specific interest;
 3. If the Bonding was not issued using a level principal payment method, then a pro forma schedule showing debt service on a level principal basis; and
 4. A project specific schedule showing BAN interest incurred prior to Bonding the project.

If the project is completed or very near completion but no BANs or Bonds were issued for the project, contact the Authority to determine reimbursement procedures.

Waiting List Projects that are Under Construction

If a project is under construction:

- The city, town or regional school district will need to contact the Authority and speak to Sean Walsh to get more information regarding our Progress Payment System.
- The city, town or regional school district will need to:
 1. Schedule a Project and Budget Review Conference;
 2. Sign a Project Funding Agreement;
 3. Get on the Progress Payment System; and



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4. Begin submitting invoices monthly and getting reimbursements monthly subject to the conditions of the Project Funding Agreement.

Waiting List Projects that have not yet Started Construction

If a project has not yet started construction:

- The city, town or regional school district will need to contact the Authority and speak to Sean Walsh to get more information regarding our Progress Payment System and determine a time frame for signing a Project Funding Agreement.

Follow-up Information

The Authority may send you a payment as quickly as possible; we would like your help in providing the following information:

1. What is the status of each of your school projects? (i.e. complete, near completion, under construction or not yet started).
2. What BANs, if any, do you have outstanding for each of your school projects? Please indicate par amounts and maturity dates.
3. What Bonds, if any, do you have outstanding for each project? Please indicate par amounts, date issued, principal payments, and final maturity of the bonds issued.

Thank you in advance for your assistance. **Information should be sent via e-mail to Matt Gorzkowicz at mgorzkowicz@msba.state.ma.us**

Sincerely,

Katherine P. Craven
Executive Director
Massachusetts School Building Authority